

**THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS
A.B.N. 39 004 688 215**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2018**

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**THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS
A.B.N. 39 004 688 215**

DIRECTORS' REPORT

Your directors present their report on the College for the financial year ended 30 June 2018.

Information on Director

The names of the directors in office at any time during, or since the end of the year are:

Prof Michael Cleary
Dr Michael Walsh
Dr Humsha Naidoo retired 11 October 2017
Dr Kevin Morris
Dr Sergio Diez Alvarez
Prof Jeffrey Braithwaite
Prof Barbara Workman
A/Prof Pooshan Navathe
Dr Luis Prado
Dr Helen Parsons
Prof Erwin Loh appointed 11 October 2017

Directors who have completed their terms, been elected or appointed during the financial year have been indentified.

Operating Results

The profit of the College for the financial year after providing for income tax amounted to \$542,011.

Significant Changes in the State of Affairs

No significant changes in the College's state of affairs occurred during the financial year.

The principal activities of the College during the financial year were Medical Administration Education.

No significant change in the nature of these activities occurred during the year.

Events After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the College, the results of those operations, or the state of affairs of the College in future financial years.

Likely developments in the operations of the College and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the College.

Environmental Issues

The College's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends paid or recommended

In accordance with its Constitution, the College is prohibited from declaring any form of dividend in favour of its members.

Indemnification and Insurance of Officers and Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the College.

During the financial year the College has paid premiums to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a director of the College, other than conduct involving wilful breach of duty in relation to the College.

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DIRECTORS' REPORT

No person has applied for leave of Court to bring proceedings on behalf of the College or intervene in any proceedings to which the College is a party for the purpose of taking responsibility on behalf of the College for all or any part of those proceedings.

The College was not party to any such proceeding during the year.

Directors Meetings and Attendance

	Directors Meetings	
	Number eligible to attend	Number attended
Prof Michael Cleary	5	4
Dr Michael Walsh	5	5
Dr Humsha Naidoo	2	2
Dr Kevin Morris	5	5
Dr Sergio Diez Alvarez	5	4
Prof Jeffrey Braithwaite	5	3
Prof Barbara Workman	5	1
A/Prof Pooshan Navathe	5	4
Dr Luis Prado	5	4
Dr Helen Parsons	5	4
Prof Erwin Loh	3	2


Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

Signed in accordance with a resolution of directors

Director: 

Prof Michael Cleary

Director: 

Prof Erwin Loh

Dated this 4th day of October 2018

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS**

We hereby declare, that to the best of our knowledge and belief, during the financial year ended 30 June 2018 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: *Morton Watson & Young*
MORTON WATSON & YOUNG AUDIT PTY LTD
Chartered Accountants

Name of Director: 
Kerpal S Harnam - Registered Company Auditor

Address: 51 Robinson Street, Dandenong Vic 3175

Dated this *5TH* day of *October 2018*

**THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS
A.B.N. 39 004 688 215**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
Income			
Revenue	4	3,728,403.54	3,023,544.69
Other income	4	<u>107,412.97</u>	<u>154,891.94</u>
		3,835,816.51	3,178,436.63
Expenditure			
Governance and member services		(1,121,524.53)	(944,477.19)
Professional services		(321,025.12)	(264,402.56)
Employment expenses		(1,441,550.04)	(1,445,288.49)
Occupancy expenses		(112,021.60)	(38,753.93)
Other overhead expenses		<u>(299,537.03)</u>	<u>(194,064.59)</u>
		<u>(3,295,658.32)</u>	<u>(2,886,986.76)</u>
Profit for the year		540,158.19	291,449.87
Retained earnings at the beginning of the financial year		5,725,432.43	5,432,923.56
Profit		<u>6,265,590.62</u>	<u>5,724,373.43</u>
Other comprehensive income, net of income tax			
Bernard Nicholson Prize Fund Shares		<u>1,853.25</u>	<u>1,059.00</u>
Other comprehensive income for the year, net of tax		<u>1,853.25</u>	<u>1,059.00</u>
Total comprehensive income for the year		<u>542,011.44</u>	<u>292,508.87</u>

The accompanying notes form part of these financial statements.

**THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS
A.B.N. 39 004 688 215**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	5,046,293.21	7,690,789.84
Trade and other receivables	8	828,574.72	607,212.64
Financial assets	9	4,947,683.34	13,514,057.65
Other current assets	10	<u>11,950.01</u>	<u>11,948.82</u>
TOTAL CURRENT ASSETS		<u>10,834,501.28</u>	<u>21,824,008.95</u>
NON-CURRENT ASSETS			
Trade and other receivables	8	287,875.02	171,779.02
Property, plant and equipment	11	<u>2,452,801.85</u>	<u>2,364,147.92</u>
TOTAL NON-CURRENT ASSETS		<u>2,740,676.87</u>	<u>2,535,926.94</u>
TOTAL ASSETS		<u>13,575,178.15</u>	<u>24,359,935.89</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	277,266.73	982,537.80
Provisions	13	113,539.89	216,987.59
Other current liabilities	14	<u>6,816,342.41</u>	<u>17,342,892.82</u>
TOTAL CURRENT LIABILITIES		<u>7,207,149.03</u>	<u>18,542,418.21</u>
NON-CURRENT LIABILITIES			
Provisions	13	<u>29,462.72</u>	<u>20,962.72</u>
TOTAL NON-CURRENT LIABILITIES		<u>29,462.72</u>	<u>20,962.72</u>
TOTAL LIABILITIES		<u>7,236,611.75</u>	<u>18,563,380.93</u>
NET ASSETS		<u>6,338,566.40</u>	<u>5,796,554.96</u>
EQUITY			
Special Funds	15	71,122.53	71,122.53
Retained earnings	16	<u>6,267,443.87</u>	<u>5,725,432.43</u>
TOTAL EQUITY		<u>6,338,566.40</u>	<u>5,796,554.96</u>

The accompanying notes form part of these financial statements.

**THE ROYAL AUSTRALASIAN COLLEGE
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

Note	Retained earnings \$	Bernard Nicholson Prize Fund \$	Sir Raphael Cilento Oration Fund \$	NSW Administratio n Course & Education Fund \$	Total \$
Balance at 1 July 2016	5,432,924	32,988	12,086	26,049	5,504,046
Profit attributable to members	292,509				292,509
Balance at 30 June 2017	5,725,432	32,988	12,086	26,049	5,796,555
Profit attributable to members	542,011				542,011
Balance at 30 June 2018	6,267,444	32,988	12,086	26,049	6,338,566

The accompanying notes form part of these financial statements.

**THE ROYAL AUSTRALASIAN COLLEGE
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from members	3,326,512.00	2,857,950.00
Conferences, sponsorship & other receipts	17,322,110.00	14,467,607.00
Interest received	50,304.00	85,821.00
Payment to suppliers & employees	(21,087,604.00)	(16,716,671.00)
Net cash provided by (used in) operating activities	<u>(388,678.00)</u>	<u>694,707.00</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investments	8,568,227.00	1,628,878.00
Payments for property	-	(1,548,903.00)
Payments for equipment	(48,050.00)	(21,844.00)
Payments for E Portfolio system	(133,348.00)	(32,481.00)
Net cash provided by investing activities	<u>8,386,829.00</u>	<u>25,650.00</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Fees received in advance	(10,642,650.00)	3,044,647.00
Net cash provided by (used in) financing activities	<u>(10,642,650.00)</u>	<u>3,044,647.00</u>
Net increase (decrease) in cash held	(2,644,499.00)	3,765,004.00
Cash at beginning of financial year	<u>7,690,792.00</u>	<u>3,925,787.00</u>
Cash at end of financial year	<u><u>5,046,293.00</u></u>	<u><u>7,690,791.00</u></u>

The accompanying notes form part of these financial statements.

**THE ROYAL AUSTRALASIAN COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

1 Summary of Significant Accounting Policies

The financial statements cover The Royal Australasian College of Medical Administrators as an individual entity. The Royal Australasian College of Medical Administrators is a company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of The Royal Australasian College of Medical Administrators is Australian dollars.

The financial report was authorised for issue by the Directors.

Comparatives are consistent with prior years, unless otherwise stated.

2 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the Corporations Act 2001 and the Australian Charities and Not-for-profits Commission Act 2012.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

3 Summary of Significant Accounting Policies

State/Territory/New Zealand Committees

The operating results of the State/Territory/New Zealand Committees have been incorporated in the financial statements.

Income Tax

The College is exempt from income tax and therefore no income tax expense or liability for income tax is shown in the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

**THE ROYAL AUSTRALASIAN COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Trade and Other Receivables

Accounts receivable are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of accounts receivable and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight line method from the date that management determine that the asset is available for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed Asset Class	Depreciation Rate
Plant and equipment	10% to 50%
Buildings	2.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an assets is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that college becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The college's trade and most other receivables fall into this category of financial instruments.

In some circumstances, the college renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the college does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. The college's available-for-sale financial assets comprise listed securities.

Purchases and sales of available-for-sale investments are recognised on settlement date.

Available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Impairment of Non-Financial Assets

At the end of each reporting period the college determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

**THE ROYAL AUSTRALASIAN COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Trade and Other Payables

Accounts payable and other payables represent the liabilities at the end of the reporting period for goods and services received by the college that remain unpaid.

Accounts payable are recognised at their transaction price. Accounts payable are obligations on the basis of normal credit terms.

Employee Benefits

Provision is made for the college's liability for employee benefits arising from services rendered by employees at the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Provisions

Provisions are recognised when the college has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting year. The discount rate used is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of other comprehensive income.

Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing or financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Special Funds

The income and expenses from the special funds accounts have been included in the statement of financial position to correctly show the total income and expenditure for the year.

**THE ROYAL AUSTRALASIAN COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the college and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Rental income

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Dividend revenue

Dividends are recognised when the right to receive payment is established.

Rendering of services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

Other income

Other income is recognised on an accruals basis when the college is entitled to it.

Grant Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

**THE ROYAL AUSTRALASIAN COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

		2018	2017
		\$	\$
4	Revenue		
	Operating activities		
	Dividends received	1,270.80	1,270.80
	Interest received	50,304.18	85,821.05
	Membership Subscriptions	1,056,488.81	978,399.46
	Training Fees	2,014,078.47	1,250,256.25
	Advertising & Sponsorship	56,990.99	35,875.30
	Annual Conference	107,421.06	103,244.83
	Externally Delivered Programs	185,636.32	152,271.18
	LTI Forum	91,194.55	283,932.77
	Net project revenue	158,199.97	154,891.94
	Donations Received	73,235.67	-
	Government Subsidies	65,847.86	44,312.14
	Miscellaneous Income	6,369.92	31,293.70
	Rent Received	19,564.91	56,867.21
	Total operating revenue	<u>3,886,603.51</u>	<u>3,178,436.63</u>
	Non-operating activities		
	Movement in Net Market Values		
	Bernard Nicholson Prize Fund Shares	1,853.25	1,059.00
	Loss on Sale of Non-current Assets	<u>(50,787.00)</u>	<u>-</u>
	Total non-operating revenue	<u>(48,933.75)</u>	<u>1,059.00</u>
	Total Income	<u>3,837,669.76</u>	<u>3,179,495.63</u>
5	Auditor's Remuneration		
	Audit of accounts	13,400.00	12,400.00
	Grant audits	2,000.00	2,000.00
		<u>15,400.00</u>	<u>14,400.00</u>
6	Profit		
	Expenses		
	Depreciation of property, plant and equipment	41,323.00	29,539.00
	Bad Debts Written Off	31,817.00	15,935.88
	Increase (decrease) in :		
	Holiday Pay Provision	(24,191.55)	(29,121.37)
	Long Service Leave Provision	(70,756.15)	68,622.20

**THE ROYAL AUSTRALASIAN COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Project Income	17,191,883.00	14,431,733.00
Project Expenses	(17,033,684.00)	(14,276,840.00)
	<u>158,199.00</u>	<u>154,893.00</u>
7 Cash and Cash Equivalents		
ANZ V2 Plus AMC Levy Account	25,407.61	25,360.61
National Australia Bank Cheque Account	1,014,808.97	1,544,806.69
National Australia Bank EFT Account	136,730.73	104,247.21
National Australia Bank Business Cash Maximiser Account	695,383.25	1,004,729.73
National Australia Bank STP Account	2,468,366.22	448,449.58
National Australia Bank STP 2 Account	597,262.31	4,554,520.87
State Account - New Zealand	378.54	680.65
TryBooking Account	48,360.47	-
Debit Card Accounts	15,000.26	7,994.50
Undeposited Funds	44,594.85	-
	<u>5,046,293.21</u>	<u>7,690,789.84</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:		
Cash at banks	1,151,540.00	1,108,977.00
At call deposits	3,786,419.00	6,573,139.00
Cash at bank State Committees	379.00	681.00
Debit Card Accounts	15,000.00	7,995.00
Try Booking Accounts	48,360.00	-
Undeposited Funds	44,595.00	-
	<u>5,046,293.00</u>	<u>7,690,792.00</u>
8 Trade and Other Receivables		
Current		
Trade Debtors	836,765.43	549,980.15
Less: Provision for Doubtful Debts	(45,000.00)	(45,000.00)
Other Debtors	36,809.29	102,232.49
	<u>828,574.72</u>	<u>607,212.64</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Non-Current		
State's Funds		
NSW State Funds	97,990.93	6,948.07
Queensland State Funds	59,283.74	60,351.28
South Australia State Funds	3,737.89	4,328.96
Victoria State Funds	81,226.75	70,468.44
Western Australia State Funds	19,813.58	19,809.33
Northern Territory Funds	1,008.77	1,008.77
New Zealand Funds	24,813.36	8,864.17
Australian Capital Territory	-	-
Tasmania	-	-
	<u>287,875.02</u>	<u>171,779.02</u>

The college does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

9 Financial Assets

Current

ANZ Banking Group Term Deposit	270,599.93	270,599.93
National Australia Bank Term Deposits	4,644,466.21	13,212,693.77
Bernard Nicholson Prize Fund		
Bernard Nicholson Fund Shares	<u>32,617.20</u>	<u>30,763.95</u>
	<u>4,947,683.34</u>	<u>13,514,057.65</u>

10 Other Non-Financial Assets

Current

Security Deposit	<u>11,950.01</u>	<u>11,948.82</u>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
11 Property, Plant and Equipment		
LAND AND BUILDINGS		
Land and Building Cato Street, Hawthorn		
At Cost	1,548,903.00	1,548,903.00
	<u>1,548,903.00</u>	<u>1,548,903.00</u>
Land Milton Parade, Malvern Victoria		
At Cost	145,000.00	145,000.00
	<u>145,000.00</u>	<u>145,000.00</u>
Building Milton Parade, Malvern Victoria		
At Cost	642,808.87	700,784.20
Less accumulated depreciation	<u>(130,492.67)</u>	<u>(120,219.00)</u>
	512,316.20	580,565.20
Total Land and Buildings	<u>2,206,219.20</u>	<u>2,274,468.20</u>
Plant and Equipment:		
At cost	342,569.65	191,649.72
Accumulated depreciation	<u>(98,706.00)</u>	<u>(105,329.00)</u>
	243,863.65	86,320.72
Gowns		
At Cost	6,400.00	6,400.00
Accumulated depreciation	<u>(3,681.00)</u>	<u>(3,041.00)</u>
	2,719.00	3,359.00
Total Plant and Equipment	<u>246,582.65</u>	<u>89,679.72</u>
Total Property, Plant and Equipment	<u>2,452,801.85</u>	<u>2,364,147.92</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Freehold Land	Buildings	Plant and Equipment	Gowns at Cost	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2016	145,000.00	598,085.00	43,594.00	3,779.00	790,458.00
Additions	-	1,548,904.00	54,325.00	-	1,603,229.00
Depreciation expense	-	<u>(17,519.00)</u>	<u>(11,600.00)</u>	<u>(420.00)</u>	<u>(29,539.00)</u>
Balance at 30 June 2017	145,000.00	2,129,470.00	86,319.00	3,359.00	2,364,148.00
Additions	-	-	180,707.00	-	180,707.00
Disposals	-	(50,731.00)	-	-	(50,731.00)
Depreciation expense	-	<u>(17,520.00)</u>	<u>(23,163.00)</u>	<u>(640.00)</u>	<u>(41,323.00)</u>
Carrying amount at 30 June 2018	<u>145,000.00</u>	<u>2,061,219.00</u>	<u>243,863.00</u>	<u>2,719.00</u>	<u>2,452,801.00</u>

**THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS
A.B.N. 39 004 688 215**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
12 Trade and Other Payables		
Current		
Creditors & Accruals	199,931.64	607,925.95
Other Creditors	6,356.89	-
Amounts Withheld from Wages	40,730.00	33,464.00
GST Payable	<u>30,248.20</u>	<u>341,147.85</u>
	<u><u>277,266.73</u></u>	<u><u>982,537.80</u></u>
13 Provisions		
Annual Leave	94,746.21	118,937.76
Long Service Leave	<u>48,256.40</u>	<u>119,012.55</u>
Total provisions	<u><u>143,002.61</u></u>	<u><u>237,950.31</u></u>
Analysis of Total Provisions		
Current	113,539.89	216,987.59
Non-current	<u>29,462.72</u>	<u>20,962.72</u>
	<u><u>143,002.61</u></u>	<u><u>237,950.31</u></u>
Employee Provisions		
<p>The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the College does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However these amounts must be classified as current liabilities since the College does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.</p>		
14 Other Liabilities		
Current		
Income in Advance		
Unearned Subscription Income	1,112,795.35	1,023,981.65
Unearned Workshop Income	<u>444,640.01</u>	<u>476,386.22</u>
	<u><u>1,557,435.36</u></u>	<u><u>1,500,367.87</u></u>
Unearned Income		
Unearned STPI Grant Income	3,752,880.19	1,234,062.95
Unearned PICS Grant Income	1,218,151.84	14,370,835.12
Unearned QRGF Monies	-	<u>65,847.86</u>
	<u><u>4,971,032.03</u></u>	<u><u>15,670,745.93</u></u>

**THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS
A.B.N. 39 004 688 215**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Funds held for State Committees		
NSW Funds Held	97,990.93	6,948.07
Queensland Funds Held	59,283.74	60,351.28
South Australia Funds Held	3,737.89	4,328.96
Victoria Funds Held	81,226.75	70,468.44
West Australian Funds Held	19,813.58	19,809.33
Monies Held in Trust (NT)	1,008.77	1,008.77
New Zealand Funds Held	24,813.36	8,864.17
	<u>287,875.02</u>	<u>171,779.02</u>
	<u>6,816,342.41</u>	<u>17,342,892.82</u>
15 Special Funds		
Bernard Nicholson Prize Fund		
Opening Balance	32,987.85	32,987.85
Sir Raphael Cilento Oration Fund		
Opening Balance	12,085.52	12,085.52
NSW Administration Course & Education Fund		
Opening Balance	26,049.16	26,049.16
	<u>71,122.53</u>	<u>71,122.53</u>
16 Retained Earnings		
Retained earnings at the beginning of the financial year	5,725,432.43	5,432,923.56
Net profit attributable to members of the College	542,011.44	292,508.87
Retained earnings at the end of the financial year	<u>6,267,443.87</u>	<u>5,725,432.43</u>
17 Related Party Transactions		
Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties:		
The following directors received remuneration during the year		
K Morris	<u>1,033.00</u>	<u>3,750.00</u>

**THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS
A.B.N. 39 004 688 215**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<hr/>		
18 Cash Flow Information		
Reconciliation of result for the year to cashflows from operating activities.		
Profit after income tax	542,011.44	292,508.87
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Change in net market value	(1,853.00)	(1,059.00)
Depreciation	41,323.00	29,539.00
Charges to provisions	(94,948.00)	39,502.00
Loss on sale of non-current assets	50,787.00	-
Changes in assets and liabilities		
(Increase) Decrease in current receivables	(221,362.00)	(43,899.00)
Increase (Decrease) in other creditors	<u>(704,636.00)</u>	<u>378,115.00</u>
	<u>(388,677.56)</u>	<u>694,706.87</u>
Changes in liabilities arising from financing activities		
Unearned income		
Opening balance	(15,670,746.00)	-
Cash flows	<u>10,699,714.00</u>	<u>-</u>
	<u>(4,971,032.00)</u>	<u>-</u>
Income in advance		
Opening balance	(1,500,368.00)	-
Cash flows	<u>(57,067.00)</u>	<u>-</u>
	<u>(1,557,435.00)</u>	<u>-</u>

**THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS
A.B.N. 39 004 688 215**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<hr/>		
19 Financial Risk Management		
The college is exposed to a variety of financial risks through its use of financial instruments.		
This note discloses the college's objectives, policies and processes for managing and measuring these risks.		
The college's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.		
	2018	2017
	\$	\$
Financial Assets		
Cash at banks	1,244,495.00	1,649,054.00
Short term deposits	3,786,419.00	6,033,061.00
Investments	4,947,684.00	13,514,057.00
Loans and receivables	828,574.00	607,212.00
States funds held	287,876.00	171,778.00
New Zealand bank account	379.00	681.00
Bank debit cards	<u>15,000.00</u>	<u>7,995.00</u>
Total Financial Assets	<u><u>11,110,427.00</u></u>	<u><u>21,983,838.00</u></u>
Financial Liabilities		
Trade and other payables	277,266.00	982,537.00
Unexpended Grants	4,971,032.00	15,670,746.00
Income in advance	1,557,435.00	1,500,368.00
State committee funds	<u>287,876.00</u>	<u>171,778.00</u>
Total Financial Liabilities	<u><u>7,093,609.00</u></u>	<u><u>18,325,429.00</u></u>

The college does not have any derivative instruments at 30 June 2018.

20 Company Details

The registered office of the company is:

The Royal Australasian College
of Medical Administrators
Suite 1, 20 Cato Street
Hawthorn East Vic 3123

21 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstandings and obligations of the entity.

**THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS
A.B.N. 39 004 688 215**

DIRECTORS' DECLARATION

The directors of the College declare that:

1. The financial statements and notes, as set out on pages 1 to 20, are in accordance with the Corporations Act 2001:
 - (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the college; and
 - (c) satisfy the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.
2. In the directors' opinion there are reasonable grounds to believe that the college will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors.

Director: 

Prof Michael Cleary

Director: 

Prof Erwin Loh

Dated this 4th **day of** October 2018

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS
A.B.N. 39 004 688 215**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Royal Australasian College of Medical Administrators, (the company) which comprises the statement of financial position as at 30 June 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the company is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (iii) complying with the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors' for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS
A.B.N. 39 004 688 215**

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS
A.B.N. 39 004 688 215**

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Name of Firm: **MORTON WATSON & YOUNG AUDIT PTY LTD**
Chartered Accountants

Name of Director: _____ **Kerpal S Harnam - Registered Company Auditor**

Address: 51 Robinson Street, Dandenong Vic 3175

Dated this **day of**

**THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS
A.B.N. 39 004 688 215**

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
INCOME		
Membership Subscriptions	1,056,488.81	978,399.46
Training Fees	2,014,078.47	1,250,256.25
Advertising & Sponsorship	56,990.99	35,875.30
Annual Conference	107,421.06	103,244.83
Externally Delivered Programs	185,636.32	152,271.18
LTI Forum	91,194.55	283,932.77
	<u>3,511,810.20</u>	<u>2,803,979.79</u>
OTHER INCOME		
Dividends Received	1,270.80	1,270.80
Interest Received	50,304.18	85,821.05
Donations Received	73,235.67	-
Movement in Net Market Values		
Bernard Nicholson Prize Fund Shares	1,853.25	1,059.00
Government Subsidies	65,847.86	44,312.14
Miscellaneous Income	6,369.92	31,293.70
Loss on Sale of Non-current Assets	(50,787.00)	-
Rent Received	19,564.91	56,867.21
Project Income	17,191,883.53	14,431,731.64
Project Expenses	<u>(17,033,683.56)</u>	<u>(14,276,839.70)</u>
	<u>158,199.97</u>	<u>154,891.94</u>
Total Other Income	<u>325,859.56</u>	<u>375,515.84</u>
TOTAL INCOME	<u>3,837,669.76</u>	<u>3,179,495.63</u>
EXPENSES		
Governance & CPMC		
Meeting Expenses	20,017.53	24,979.32
Teleconference & Video - Governance	2,508.62	4,239.46
Travelling & Accommodation - Governance	99,105.73	65,472.80
CPMC Subscriptions	<u>20,901.02</u>	<u>10,100.00</u>
	<u>142,532.90</u>	<u>104,791.58</u>
Faculty Support		
Censors Workshops & Expenses	15,325.61	27,753.54
State Workshops & Seminars	113,443.89	101,259.64
Travel & Accommodation - Faculty	67,560.67	70,964.98
Honorarium	-	(2,100.00)
Printing & Stationery - Faculty	4,465.14	5,083.14
Teleconference & Video - Faculty	1,467.88	1,515.52
Faculty Meeting Expenses	<u>1,580.98</u>	<u>3,280.21</u>
	<u>203,844.17</u>	<u>207,757.03</u>

The accompanying notes form part of these financial statements.

**THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS
A.B.N. 39 004 688 215**

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
Training & Education		
Accel Pathway Expenses	1,120.41	1,942.26
Courses Expenseds	13,074.82	24,904.54
Candidate Workshop CW1	5,439.45	14,604.10
Candidate Workshop CW2	12,033.14	25,104.87
Teleconference A& Video - Training	20,426.64	19,830.31
Exam Expenses	71,472.55	48,529.05
Travel & Accommodation - Training	83,483.91	61,628.72
Consultants & Honorarium	223,568.12	18,897.18
Workshop Expenses	186,626.33	344,507.91
	<u>617,245.37</u>	<u>559,948.94</u>
Accreditation Costs		
Contractors	-	6,000.00
Committee Expenses	-	47.27
Travel & Accommodation - Accreditation	68,931.08	49,346.39
AMC Accreditation	20,000.00	-
	<u>88,931.08</u>	<u>55,393.66</u>
Annual Conference		
Conference Organiser	27,504.59	281.82
Trophies, Medals & Prizes	13,127.45	4,424.54
Incidental Conference Expenses	13,786.97	7,337.10
	<u>54,419.01</u>	<u>12,043.46</u>
Research & Policy		
Policy & Advocacy Project	-	1,740.00
Publications	14,552.00	2,802.52
Employment Expenses		
Holiday Pay Provision	(24,191.55)	(29,121.37)
Long Service Leave Provision	(70,756.15)	68,622.20
Other Employment Expenses	23,632.45	82,244.80
Payroll Tax	40,536.85	30,251.82
Professional Development	11,423.96	32,213.27
Recruitment Agency	21,747.72	86,933.95
Salaries & Wages	1,311,044.72	1,075,399.65
Superannuation Contributions	118,271.36	90,151.18
WorkCover	9,840.68	8,592.99
	<u>1,441,550.04</u>	<u>1,445,288.49</u>
Office Supplies		
Employees' Amenities	4,377.83	6,877.04
Photocopier Expenses	5,042.71	6,169.30
Postage	11,748.06	8,397.49
Printing & Stationery	62,403.91	22,461.05
	<u>83,572.51</u>	<u>43,904.88</u>

The accompanying notes form part of these financial statements.

**THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS
A.B.N. 39 004 688 215**

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
Professional Services		
Accountancy Fees	41,175.00	23,525.00
Advertising & Marketing	56,519.74	51,475.00
Auditor's Remuneration		
Audit of the Accounts	15,400.00	14,400.00
Bookkeeping	9,565.00	3,067.50
Consultancy Fees	170,305.44	152,821.80
Legal Costs	28,059.94	19,113.26
	<u>321,025.12</u>	<u>264,402.56</u>
Occupancy Expenses		
Agent's Fees	2,587.00	1,451.44
Body Corporate Fees	32,439.00	17,705.75
Cleaning & Rubbish Removal	5,128.31	2,475.40
Electricity & Gas	6,555.48	7,285.54
Rates & Land Tax	8,076.18	4,063.02
Rent of Premises	26,665.00	-
Repairs & Maintenance	28,779.88	4,206.50
Water	1,790.75	1,566.28
	<u>112,021.60</u>	<u>38,753.93</u>
Other Overhead Expenses		
Bad Debts Written Off	31,817.00	15,935.88
Bank Charges	2,352.83	2,229.07
Depreciation	41,323.00	29,539.00
General Expenses	169.95	259.09
Insurance	19,707.26	17,648.99
Merchant Fees	28,547.49	16,652.08
Subscriptions	6,855.91	1,769.64
Telephone/Video Conferencing	41,977.83	26,078.52
Travel & Accommodation	-	1,296.23
	<u>172,751.27</u>	<u>111,408.50</u>
IT Expenses		
Website	4,839.00	-
IT Support & Maintenance	24,424.38	34,726.67
Software & Licences	13,949.87	4,024.54
	<u>43,213.25</u>	<u>38,751.21</u>
Total Expenses	<u>3,295,658.32</u>	<u>2,886,986.76</u>
PROFIT (LOSS) BEFORE INCOME TAX	<u>542,011.44</u>	<u>292,508.87</u>

The accompanying notes form part of these financial statements.